

**DURRELL WILDLIFE CONSERVATION TRUST**

Report and Financial Statements

31 December 2003

# Durrell Wildlife Conservation Trust

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## LEGAL AND ADMINISTRATIVE DETAILS

<b>NAME</b>	The Durrell Wildlife Conservation Trust
<b>GOVERNING INSTRUMENT</b>	The Durrell Wildlife Conservation Trust is an association incorporated under Article 4 of the Loi (1862) sur les teneures en fideicommis et l'incorporation d'associations. It is governed by Rules registered in the Royal Court, Jersey on 28 September 2001.
<b>PATRON</b>	Her Royal Highness The Princess Royal
<b>TRUST PRESIDENT</b>	Robin E R Rumboll
<b>HONORARY DIRECTOR</b>	Dr Lee M Durrell**
<b>EXECUTIVE DIRECTOR</b>	Dr Mark R Stanley Price**
<b>CHAIRMAN OF COUNCIL</b>	Martin Bralsford **
<b>HONORARY TREASURER</b>	Christopher E Simpson ** (resigned 2 <sup>nd</sup> January 2004) Mark Oliver (Honorary Treasurer Designate) (appointed 2 <sup>nd</sup> January 2004)
<b>TRUST SECRETARY</b>	Andrew P A Fay ** (resigned 3 <sup>rd</sup> October 2003) Derek Maltwood (appointed 3 <sup>rd</sup> October 2003)
<b>COUNCILLORS</b>	Elected by the Members in General Meeting  Dr Colin Clubbe Tricia Kreitman Dr Georgina Mace OBE Derek Maltwood ** Cameron McPhail (resigned 30 <sup>th</sup> January 2004) Colin Powell OBE Ian Steven Dr Marcus Trett Advocate Jonathan White ** Dr Eleanor J Milner-Gulland
<b>LIFE TRUSTEES</b>	Sir David Attenborough CBE John Cleese Miss Fleur Cowles Mrs Murray S Danforth, Jnr Jurat Geoffrey Hamon Reginald R Jenue CBE Dr Alison Jolly Warren J Lliff (trusteeship relinquished 26 <sup>th</sup> February 2004) Dr Thomas E Lovejoy Jeremy J C Mallinson OBE Professor Robert Martin Margaret K Rockefeller General Sir Peter Whiteley GCB, OBE Edward J Whitley

# Durrell Wildlife Conservation Trust

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## LEGAL AND ADMINISTRATIVE DETAILS

<b>OTHER SENIOR EXECUTIVES</b>	John R M Hartley (Director of International Programme) (retired August 2003)** Quentin M C Bloxam (Director of Zoo Programme) ** Dr John Fa (Director of Conservation) (appointed 1 <sup>st</sup> January 2003) Stephen W Teal (Director of Development Programme) (appointed 14 <sup>th</sup> April 2003)** Andrew P A Fay (Director of Finance & Administration) (resigned 3 <sup>rd</sup> October 2003) Rachel A Husbands (Director of Finance & Administration) (appointed 3 <sup>rd</sup> October 2003)**
<b>PRINCIPAL ADDRESS</b>	Les Augrès Manor Trinity Jersey Channel Islands JE3 5BP
<b>BANKERS</b>	RBSI Custody Bank Limited NatWest Offshore Limited
<b>FOUNDER</b>	Gerald Durrell, OBE, LHD, DSc (Honorary Director, 1963-1995)
<b>ADVOCATES</b>	Mourant du Feu & Jeune 22 Grenville Street St Helier Jersey JE4 8PX
<b>AUDITORS</b>	Ernst & Young LLP Unity Chambers 28 Halkett Street St Helier Jersey JE1 1EY
<b>INVESTMENT ADVISORS</b>	Merrill Lynch Investment Managers (Channel Islands) Limited Forum House Grenville Street St Helier Jersey JE4 8RL
	HSBC Investment Management Limited 78 St James's Street London SW1A 1HL
<b>INVESTMENT POWERS</b>	Under the Rules of the Trust, the Trust may invest from time to time all monies and the funds of the Trust not immediately required to be expended for the purposes thereof.

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\*\* Member of Executive Committee

# Durrell Wildlife Conservation Trust

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## REPORT OF THE COUNCIL

### 1. Financial statements

The accounts comply with all current statutory requirements and with the Rules of the Trust.

### 2. Objects and policies

The objects of the Trust as set out in the Rules of the Trust are:

- i) to promote the conservation of wildlife
- ii) to establish at the Jersey Zoological Park, Les Augrès Manor, Trinity, Jersey or elsewhere, a centre or centres for breeding colonies of animals in danger of extinction in the wild state together with training, education, research and such other activities as may be necessary in furtherance of the objectives of the Trust.

The policies adopted by the Trust to further the above objectives are as follows:

- the continued running of the Jersey Zoo to breed animals as part of international species recovery programmes.
- the management of or participation in species recovery plans for selected species.
- the running of the International Training Centre in Jersey for the provision of training in the breeding and conservation of endangered species.
- working with local communities to develop sustainable development strategies to benefit both the local community and ecosystem.
- field research to understand species and the reasons for their decline.
- habitat purchase and repair to enable species reintroduction programmes to be concluded successfully.

There have been no material changes in the above policies in the last year.

The Trust is organised as follows:

The Government of the Trust and the management of its concerns are vested in the Council, whose members are elected by the Members of the Trust. The Honorary Director of the Trust is responsible for ensuring that the Rules of the Trust are followed and that the resolutions of the Council are duly carried out. The Honorary Treasurer, elected by the members, is responsible for all accounts and the collection of all sums of money due to the Trust. The Executive Director is responsible for the direction and management of the Trust and for the implementation of the strategic objectives established by Council. The day-to-day administration of the Trust has been delegated by the Council to the Executive Committee, appointed by Council.

### 3. Statement of the Council's responsibilities in respect of the financial statements

The rules of the Durrell Wildlife Conservation Trust require the Council to prepare financial statements of the Trust.

In preparing the financial statements, the members of the Council should:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis.

# Durrell Wildlife Conservation Trust

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## REPORT OF THE COUNCIL

### **3. Statement of the Council's responsibilities in respect of the financial statements (continued)**

The Council is responsible for keeping accounting records which are sufficient to show and are such as to disclose with reasonable accuracy at any time the financial position of the Trust. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **4. Review of Development, Activities and Achievements during the year**

This has been another year of great activity at both the Jersey site and our bases overseas. There has also been beneficial linking of the conservation interests of the two.

As the restored Upper Valley enjoyed its second growing season, filling out with plants, the Zoo site saw considerable further physical development. We completed several significant projects using our highly skilled Zoo staff; most notable were the development of the Cloud Forest and the walk-through aviary. Both enhance the quality of visitor experience, and the animal, maintenance and landscape staff worked together creatively on each project. The other main development was the erection of a poly tunnel for the Livingstone's fruit bats, with its size allowing them to fly freely. Built cost-effectively, it allows further internal development in the bats' interests. We are learning much from it, and it will become accessible to the general public in 2004.

At the year end, the developments under way included a new range of off-show facilities, including in door quarters for the gibbons connected to the orang utan house, development of the spine of First Impressions for bats and a new playground with a strong wildlife theme.

The landscaping, planting and appearance of the Zoo grounds continue to attract praise. The Organic Farm expanded with the construction of a further poly tunnel. In 2003, the farm delivered fresh produce worth over £15,000, all of which was fed to animals.

Breeding in the Zoo collection was excellent. The long-awaited gorilla birth happened in late July and the strong infant, Ya Pili, was very popular with the public at once. Pregnancy in an orang utan was confirmed before year-end. One sub-adult male gorilla was transferred to Paignton Zoo to ensure a stable social group in Jersey. The very delicate pied tamarins bred successfully, and enjoyed their summer free ranging in the woods. Further breeding highlights included the aye-aye, the flat-tailed tortoise and a half second-generation of Montserrat orioles. The first second generation spawning of the mountain chicken occurred, but these sadly proved to be infertile and further research is on-going.

Zoo-based staff contributed to overseas conservation diversely. A senior keeper, awarded the annual Rumboll Travel Award, visited the Comores Islands to study the highly endangered Livingstone's fruit bat. This complemented our work in Jersey with the species, and should lead to our further involvement in the wild. Following on from the breeding work in Mauritius with the Mauritian Fody in 2002, a bird keeper assisted in the first controlled release of hand-reared Fody's on Ile aux Aigrettes, the site of some of the Mauritian Wildlife Foundation's most exciting endangered population work. Another senior keeper visited Thailand to survey the last population there of the Gurney's Pitta, in collaboration with the RSPB.

Continuing our interest in Montserrat, and taking advantage of it as a natural laboratory in the face of spasmodic volcanic activity, the Head of Herpetology spent a month surveying for the Mountain Chicken. This was a breakthrough study combining the genetic analysis of frogs with pinpoint accurate geographical positioning. We hope to commit more effort to field conservation in Montserrat and widen the species of interest to the Trust in 2004. Further, there is suspicion that a deadly skin disease affecting tropical frogs worldwide may now be close to Montserrat. If it strikes there, the Jersey population of fungus-free frogs will assume a new importance for the species.

# Durrell Wildlife Conservation Trust

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## REPORT OF THE COUNCIL

The Madagascar programme continued its focused work. The Director of Conservation, and an external reviewer, evaluated its operations and made recommendations. The programme benefited from external advice on the highly technical issues of censusing animals, whether lemurs or jumping rats, in very difficult habitats.

We undertook a desk-based review of all activities in the Caribbean over the years, as this is a priority area of our programme. Two directors made a reconnaissance visit to Cuba and the Dominican Republic, and projects are under development there. We were able to employ an Eastern Caribbean manager to work on the St. Lucia Iguana, and pursue Trust interests more widely, which is a significant development. In the western Caribbean, the Trust signed a Memorandum of Understanding with the National Trust of Grand Cayman, where we are actively cooperating in the saving of the endangered Blue Iguana.

In Mauritius, our close partner the Mauritian Wildlife Foundation took on its first full time chief executive, while the Trust provides the services of Dr. Carl Jones (appointed MBE for his services to the preservation of Mauritius' wildlife at the end of the year) as Scientific Director. The echo parakeet programme had average success in breeding, and the 2004 season should be the last of intensive breeding management. The kestrel population is monitored and continues to do well. Intensive research on diseases affecting the pink pigeon continued through 2003, with immediate improvements in equipment for allowing them access to food and water while excluding other species.

The Basistha centre in Assam had another season of successfully breeding the Pygmy Hog, although space limitations restrict the numbers. Extensive field surveys identified potential sites for releasing hogs into the wild, and possible sites for establishing second colonies and pre-release centres. We expect to pursue this next phase of restoring hog populations in the wild in 2004.

We conducted a desk-based review of the status of the four tamarin species in Brazil that we work with, and evaluated how their conservation had progressed since the Trust became involved there. The conservation of two species now require actions that are outside this Trust's main areas of expertise, and it is likely that we will reduce our support to these programmes in favour of the other, possibly new, target species.

The most significant development for the Trust's conservation programme lay in the scientific analysis of a huge body of global biodiversity data by the Director of Conservation. This led to a pioneering demonstration of why islands are important for their communities of species with very restricted ranges. Mountain areas share some of these characteristics. As a result, we have developed a conservation framework approach based on Islands and Highlands. The science underlying this has been published, with considerable peer acclaim. This will be the theoretical basis on which we prioritise new conservation activities, and potential sites are being identified and assessed continuously.

In late 2003, a review of the Trust's training programme was completed. Many interesting recommendations were made about the need to align our conservation and training activities better, both geographically and in terms of content. We are likely to see more training provided in the home countries of endangered animals. Training in Jersey will focus on areas where we can make best use of the adjacent Zoo and the high quality facilities of the International Training Centre. The usual courses of Diploma, facilitation skills and the Summer School were taught in 2003, but the Certificate course was not. Our review showed that this was no longer cost-effective, and staff time was oriented into exploring new programmes. One breakthrough result was a share in a grant from the Macarthur Foundation to provide technical training, in a consortium, to conservationists at Madagascar's premier university over the next three years.

Our Education Department in Jersey kept busy through the year. We were grateful to receive a slightly larger grant from the States of Jersey to provide curriculum teaching, and 3,728 children up to the age of 16 years attended classes in the Zoo. A suite of activities included activity weeks and birthday parties, which raised £8,000 between them. Extra activities were provided in the holidays.

# Durrell Wildlife Conservation Trust

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## REPORT OF THE COUNCIL

The volunteers comprise a large body of people, which grew in numbers slightly in 2003. Their individual skills and interests are very diverse, but their commitment to the Trust is very strong. As a dependable source of enthusiastic and willing hands, they can be relied upon to perform many tasks for the Trust – and ones we would be hard placed to access in any other way. We are, as ever, extremely grateful for their commitment.

The activities above indicate great focus in 2003 on challenging and evaluating ourselves, and the rationale for what we do. This has led to evolution of our management systems and the priority technical skills we need to be an effective and responsive charity. We have benefited greatly through the second half of the year from the services of a System Development Assistant. He has made huge improvements in the quality of annual planning for each department, and laid down a sound basis for repeating this annually. This work has involved almost all members of staff in shaping the future of the Trust.

The Trust took on a new Director of Development in April. The inevitable hiatus for a few months prior explains why fund-raising income dropped 19% compared to 2002. But the year also showed promise for new sources of funding. Restructuring of the Development Department, new skills, strategic research and targeting, with better stewardship of donors, all point to an upturn in 2004. The year saw a start of a capital fund-raising campaign in Jersey.

The Trust maintained its high output of printed materials. In 2003 we brought the design of the annual report and On The Edge in-house, retaining the previous advice of external consultants. This has led to cost-savings and attractive products. On The Edge now contains appeals to members, and significant sums were raised late in the year for desilting a lake in the Zoo (from Jersey members) and for starting our support to gorilla conservation in Cameroon (from members out of Jersey).

As Jersey's tourist market continues to decline, so does the number of visitors to the Zoo. A 5% drop in paying visitors in 2003 was mitigated by a small increase in the entrance cost. It is clear that the Trust needs more market-sensitive pricing, for both Trust membership and Zoo entry. Marketing was effective, resulting in an increase in our market share and in the number of members visiting. Efforts in 2004 will include attempts to reduce the relatively high turnover of members every year, through targeted sales and renewal strategies. The year also saw efforts to improve the yield to the Trust from the shop and the Dodo Café concession.

The appointment of a new Director of Finance and Administration in the last quarter of the year led to the systematic development of the financial reporting systems and upgrading of the computing and software technology. We have responded to the growing needs of the Trust, and the desire to comply with regulations and best practice in human resource management, through the recruitment of an HR Manager. This led to review of policies and procedures in order to ensure that the Trust's most important resource is managed effectively.

### **5. Review of the Financial Position of the Trust**

To better understand the position of the Trust and its performance, it is important to recognise that the Trust generates both recurring and non-recurring income. The recurring income includes membership subscriptions, admission charges for visitors to the Jersey Zoo, trading income including the retail operations at the Zoo Shop, as well as income generated from the Trust's investments. The non-recurring income includes donations, legacies and other grants and gifts, which play a vital role in enabling the Trust to enter into longer-term commitments.

The financial performance of the Trust improved substantially compared to the previous year. This is primarily because of a 10% increase in income, a 5.4% reduction in expenditure and, following the small recovery in the markets, the generation of investment gains, as opposed to the sizeable investment losses recognised in the 2002 accounts.

# Durrell Wildlife Conservation Trust

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## REPORT OF THE COUNCIL

As referred to in previous year's accounts, the Trust has benefited from a wonderful and extremely generous legacy from the late Mrs Irene Morrow. During 2003 the Trust again benefited from this estate by the receipt of an associated tax rebate. Ignoring this rebate, general legacies were still above the 2002 level by 12%.

Although the number of paying visitors was down by 5%, this was mitigated by an increase in gate entry fees and in fact income from visitors was up on last year. Again, visitor numbers were better than the island average and, as previously reported, spending per head continues to increase.

Following the 2002 Annual General Meeting, subscription rates were increased and this, combined with further recruitment initiatives, has resulted in membership income levels being slightly above the previous year. The continued implementation of these new initiatives should maintain this important recurring income source.

General donations, which include adoptions, were down 19.4%. This fall in fundraising income is not unexpected owing to the absence of a Director of Development for five months. As mentioned earlier, restructuring of the Development Department, including the identification and addressing of skill shortages, and strategic research and targeting for fundraising, along with better stewardship of donors, all point to an upturn in income during 2004.

Income from trading activities was slightly lower than in previous years owing to an increase in the shop's expenditure following a fairer allocation of general costs, which resulted in a more representative profit figure for the year.

Finally, investment income was down by 18% as a result of the Trust financing its' activities from reserves for six months of the year. This was unavoidable, and meant that greater returns on cash balances were sacrificed in order to ensure that our cashflow requirements were met.

Expenditure has decreased mainly due to the need to align the cost base of the Trust with anticipated levels of income. The major changes to costs compared to last year are highlighted below:

~ Zoo-keeping costs have substantially reduced during 2003 owing to the inclusion in 2002 of a payment in relation to the pension scheme funding deficit;

~ The expenditure on the Overseas' programme has remained constant in real terms. The decrease from 2002 levels is due to the reduction in the receipt and use of restricted project monies. Funding campaigns for overseas projects are currently being focussed on the largely untapped UK and US markets;

~ Fundraising costs fell because of a reduction in employment costs, resulting from the Director of Development's post being vacant in the 1<sup>st</sup> quarter 2003;

~ Support costs have risen due to the increase in depreciation charge for 2003, resulting from the investment in improved facilities at the Zoo;

~ The costs of Management and Administration have increased, which was largely due to pension scheme administration costs which, in previous years, had been borne by the pension scheme itself. Also included is a further payment in relation to the pension scheme funding deficit. To some extent these pension cost increases have been offset by a reduction in miscellaneous costs, as £72k of evaluation fees in regard to the Jersey and overseas operations incurred in 2002 were non-recurring;

~ Following a few years of sustained and sizeable investment losses, an improvement in the markets has resulted in a positive effect on the Trust's financial position during 2003. In reaction to this, and as detailed in note 6 below, during the latter half of 2003 the Trust altered its asset allocation in order to benefit from increasing returns without compromising the level of risk taken;

~ Finally it is worth noting that restricted funding distorts the results year on year.

No current values have been placed on two important Trust assets: the Jersey freehold property incorporating the Trust headquarters and the Jersey Zoo is shown at its original cost, and the animal

# Durrell Wildlife Conservation Trust

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## REPORT OF THE COUNCIL

collection that is stated in the accounts at a nominal value of £1. In the opinion of Council, due to the unique nature of these assets, it would be unrealistic to place a value thereon.

### 6. The Trust's Policy on Reserves and Investments

The Trust's requirement to maintain its reserves at a given level is based on its own current and future activities, and the need to sustain funding for those activities if income was not available. The Reserves to which this Policy relates are "Income Reserves" which are those that are available for discretionary use by the Council and will exclude those that represent either endowments or other restricted donations. It also excludes those represented by the Trust's fixed assets as these form the infrastructure without which the Trust could not undertake its core activities.

As referred to in note 4 of the Council's Report, the Trust has utilised the services of a System Development Assistant to develop a business planning process for 2004 and beyond. A clear statement on the level of reserves required is currently being formalised following this process.

However, for the purposes of looking at the position at the end of 2003, the following factors will affect the level of reserves required, assuming no change in current activities:

- Long-term nature of Trust's Species Recovery Programmes.
- Relative uncertainty of recurring income from admissions and other visitor income due to the changing nature and volume of tourism in Jersey.
- Bulk of normal operation expenditure relates to staff costs that are not variable without significant changes to activity levels.
- Need to fund deficits on current activities from reserves in the short term until revised strategic fund raising plans are completed and implemented.

The Income Reserves available at 31 December 2003 amounted to some £7.6 million (2002 £7.8 million) that is calculated by deducting the endowment reserves (£1.2 million), the fixed asset reserves (£5.4 million) and other restricted funds (£0.8 million) from the total reserves of £15 million.

In 2003, the Trust adopted a prudent policy on its investments aimed at reducing its exposure to capital losses in an unstable market whilst maintaining its investment income. Historically this was achieved by implementing an asset allocation of 40% equity to 60% fixed interest and cash equivalents. Following an upward trend in the markets this allocation was revised to 50:50 during the latter half of the year. The Trust continues to maintain this allocation ratio, although it monitors changes in the market, and may change its policy if it considers there is scope for greater capital growth in the equity market in due course.

### 7. The risks to which the Trust is exposed

Given the state of the world's biodiversity, it is safe to assume there will always be a technical role in conservation for the Trust to carry out. The main risks relate to the financial viability of the Trust in the medium to long term.

The Trust's single largest source of income is the revenue from Zoo entrances. The number of non-paying guests to the Zoo increased from the 2002 levels, owing to more member visits and complementary school visits. The Electronic Point Of Sale system installed in the visitor centre has resulted in accurate visitor numbers being recorded.

# Durrell Wildlife Conservation Trust

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## REPORT OF THE COUNCIL

Fewer airline connections to Jersey, increased security concerns and veterinary regulations all affect the Trust's ability to move animals in and out of the island. The establishment of the Animal Movements Team in 2002 has addressed these issues, and has been successful in developing suitable cost effective procedures.

The standards of animal housing have improved over the years, and the Trust remains at the forefront of every aspect of animal health and welfare through its continued development of facilities.

Regarding employment of staff, the Trust experiences several constraints: firstly, the availability of skills from within Jersey is patchy, and there are some skills where the Trust needs to be a more selective and competitive employer; secondly, if these skills need to be recruited from UK, there are further complications relating to the housing regulations in Jersey, and a quota on the number of posts that can be filled in this way (notwithstanding the current discussion in the States of Jersey with regards to housing policy). The Trust may face a shortage of skills, and for some posts the cost of employment is high where housing costs must be subsidised.

The conclusions drawn by external economic consultants during the latter part of 2002 remain valid, namely that the value of Jersey to the Trust is preferable to alternative locations. The Trust continues in its endeavour to offer donors a tangible link between their funds and conservation programmes, rather than depending solely on income derived from visitors. It is, however, worth noting that currently visitor income remains an important source of revenue.

Overall, the Trust is aware of the risks it faces, and is working proactively, from a secure financial position in the short and medium-terms, to ensure it has a viable and sustainable future.

# Durrell Wildlife Conservation Trust

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## REPORT OF THE COUNCIL

### 8. Connected organisations

The Durrell Wildlife Conservation Trust is connected with the following charities:

Wildlife Trust  
1520 Locust Street  
Suite 704  
Philadelphia  
Pennsylvania 19102-4403 USA

Wildlife Preservation Trust Canada  
120 King Street  
Guelph  
Ontario N1E 4P8  
Canada

Gerald Durrell Wildlife Preservation Trust  
National Westminster Bank PLC (Reg No 232004)  
153 Preston Road  
Brighton BN1 6SD  
Sussex

The above trusts were all founded by Gerald Durrell and have common aims, although they are separate legal entities. They work together on some projects as well as working alone.

Transactions of the Gerald Durrell Wildlife Preservation Trust are consolidated into the financial statements of the Durrell Wildlife Conservation Trust.

Details of transactions between the Durrell Wildlife Conservation Trust and the other connected charities are shown in note 20.

Other charities and organisations with which the Durrell Wildlife Conservation Trust has enjoyed significant levels of co-operation in the pursuit of its objectives are as follows:

Fauna and Flora International  
The Federation of Zoological Parks of Great Britain and Ireland  
Institute de Projetos e Pesquisas Ecologicas (IPE)  
IUCN/SSC Conservation Breeding Specialist Group  
Mauritian Wildlife Foundation  
Royal Botanic Gardens, Kew  
University of Kent at Canterbury  
Environmental Awareness Group - Antigua

The Trust continues to work closely with many other governmental and non-governmental organisations to further its objectives in many areas of its activities. The Trust is also an active member of a number of international conservation and zoo organisations including the World Conservation Union (IUCN).  
On behalf of the Council



Martin Bralsford  
Chairman



Dr Mark R Stanley Price  
Executive Director

Date: 1st June 2004

**INDEPENDENT AUDITORS' REPORT  
to the Council of Durrell Wildlife Conservation Trust**

We have audited the trust's financial statements for the year ended 31 December 2003 which comprise the Statement of Financial Activities, Summary of Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes 1 to 20. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Council, as a body in accordance with the terms of our engagement. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trust and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the Council and auditors**

As described in the Statement of Council's Responsibilities the Council is responsible for the preparation of the financial statements in accordance with applicable Jersey law.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements, which have been prepared in accordance with United Kingdom accounting standards, give a true and fair view

We read the Report of the Council and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the trust's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the Durrell Wildlife Conservation Trust as at 31 December 2003 and of its results for the year then ended.

*Erm + Young LLP*

Jersey, Channel Islands  
Date: 3 June 2004

**NOTES**

1. The maintenance and integrity of the Durrell Wildlife Conservation Trust web site is the responsibility of the Council; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the Island of Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Durrell Wildlife Conservation Trust

## STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2003

	<i>Notes</i>	<i>Unrestricted Funds £'000</i>	<i>Restricted Funds £'000</i>	<i>Endowment Funds £'000</i>	<i>Total 2003 £'000</i>	<i>Total 2002 £'000</i>
<b>INCOMING RESOURCES</b>						
Donations & gifts		270	515	-	785	974
Grants		30	-	-	30	35
Legacies		1,103	-	-	1,103	497
Admission charges		1,205	-	-	1,205	1,181
Membership subscriptions		394	-	-	394	346
Investment income		332	72	-	404	490
Net income of trading activities (for fund-raising purposes)	3	203	-	-	203	218
Other income		258	9	-	267	251
<b>Total incoming resources</b>		<b>3,795</b>	<b>596</b>	<b>-</b>	<b>4,391</b>	<b>3,992</b>
 <b>Costs of activities in furtherance of the charity's objects</b>						
4		2,654	155	-	2,809	3,236
Support costs	7	1,023	-	-	1,023	958
Costs of management and administration	6	963	123	-	1,086	1,006
<b>Total resources expended</b>	7	<b>4,640</b>	<b>278</b>	<b>-</b>	<b>4,918</b>	<b>5,200</b>
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(845)</b>	<b>318</b>	<b>-</b>	<b>(527)</b>	<b>(1,208)</b>
Transfers between funds		280	(150)	(130)	-	-
<b>Net (outgoing)/incoming resources for the year</b>		<b>(565)</b>	<b>168</b>	<b>(130)</b>	<b>(527)</b>	<b>(1,208)</b>
 <b>Other recognised gains and (losses)</b>						
Gains & (losses) on investments:						
Unrealised	9	403	-	70	473	(621)
Realised		33	-	-	33	(106)
<b>Net movement in funds</b>		<b>(129)</b>	<b>168</b>	<b>(60)</b>	<b>(21)</b>	<b>(1,935)</b>
Balances brought forward at 1 January 2003		13,143	645	1,273	15,061	16,996
Balances carried forward at 31 December 2003		<b>13,014</b>	<b>813</b>	<b>1,213</b>	<b>15,040</b>	<b>15,061</b>

The accompanying notes on pages 17 to 29 form part of these financial statements.

# Durrell Wildlife Conservation Trust

## SUMMARY OF INCOME AND EXPENDITURE ACCOUNT for the year ended 31 December 2003

	<i>Note</i>	2003 £'000	2002 £'000
Gross income of continuing operations		4,188	3,774
Net income of trading activities	3	203	218
Total income of continuing operations		4,391	3,992
Total expenditure of continuing operations		4,918	5,200
Net (loss)/gain for the year before transfers and investment asset disposals		(527)	(1,208)
Loss on disposal of fixed asset investments		33	(106)
<b>Net (loss)/gain for the year</b>		<b>(494)</b>	<b>(1,314)</b>
		=====	=====

Total income comprises £3,794,921 for unrestricted funds and £595,616 for restricted funds. A detailed analysis of income by source is provided in the Statement of Financial Activities.

Turnover of non-charitable trading activities amounted to £530,668. A detailed analysis of the trading results is shown in note 3.

Detailed analyses of the expenditure are provided in the Statement of Financial Activities and notes 4 to 7.

Net outgoing resources before investment asset disposals and transfers for the year amounted to £527,897 comprising £845,058 net expense of unrestricted funds plus £317,161 net income of restricted funds.

The Summary Income and Expenditure account is derived from the Statement of Financial Activities on page 13 which, together with notes 1 to 20 provides full information on the movements during the year on all funds of the Trust.

The accompanying notes on pages 17 to 29 form part of these financial statements.

# Durrell Wildlife Conservation Trust

## BALANCE SHEET at 31 December 2003

	Notes	2003 £'000	2002 £'000
<b>FIXED ASSETS</b>			
Animal collection	2	—	—
Tangible fixed assets	8	5,407	5,614
Investments	9	7,437	7,030
		<u>12,844</u>	<u>12,644</u>
<b>CURRENT ASSETS</b>			
Stock		158	156
Debtors	10	676	701
Bank balances		2,060	2,359
Loans receivable	11	60	88
		<u>2,954</u>	<u>3,304</u>
<b>CREDITORS: amounts falling due within one year</b>	12	(658)	(787)
<b>NET CURRENT ASSETS</b>		<u>2,296</u>	<u>2,517</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>15,140</u>	<u>15,161</u>
<b>CREDITORS: amounts falling due after more than one year</b>	13	(100)	(100)
<b>NET ASSETS</b>	14	<u>15,040</u>	<u>15,061</u>
<b>CAPITAL FUNDS</b>			
Permanent Endowment Funds	15	1,213	1,273
<b>INCOME FUNDS</b>			
Restricted Funds	16	813	645
Unrestricted Funds:			
Designated Funds	17	7,491	7,830
Other Charitable Funds		5,523	5,313
		<u>15,040</u>	<u>15,061</u>

Approved by the Council

and signed on its behalf by



Martin Bralsford  
Chairman

Date: 1st June 2004

The accompanying notes on pages 17 to 29 form part of these financial statements.

# Durrell Wildlife Conservation Trust

## CASH FLOW STATEMENT for the year ended 31 December 2003

	2003 £'000	2002 £'000
<b>CHANGES IN RESOURCES BEFORE REVALUATIONS</b>	<b>(527)</b>	<b>(1,208)</b>
Depreciation	531	513
Management fees	9	10
Dividends and interest received	(310)	(404)
(Reduction) / increase in creditors	(129)	376
Decrease in debtors and stock	23	2,518
	124	3,013
<b>NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES</b>	<b>(403)</b>	<b>1,805</b>
<b>Net returns on investments</b>		
Income from investments	247	300
Bank interest	60	98
Loan interest	3	5
Management fees	(9)	(10)
	301	393
<b>Capital expenditure and financial investment</b>		
Purchase of investments	(739)	(3,647)
Sale proceeds of investments	810	671
Purchase of fixed assets	(296)	(532)
Sale of fixed assets	-	29
Loans repaid	28	8
	(197)	(3,471)
<b>DECREASE IN CASH</b>	<b>(299)</b>	<b>(1,273)</b>
<b>CASH AT 31 DECEMBER 2002</b>	<b>2,359</b>	<b>3,632</b>
<b>CASH AT 31 DECEMBER 2003</b>	<b>2,060</b>	<b>2,359</b>

### ANALYSIS OF CHANGES IN NET FUNDS

	At 1 January 2003 £'000	Cash flows £'000	At 31 December 2003 £'000
Bank balances	2,359	(299)	2,060
Debt due after one year	(100)	-	(100)
	<hr style="border-top: 1px solid black; border-bottom: none; border-left: none; border-right: none;"/>	<hr style="border-top: 1px solid black; border-bottom: none; border-left: none; border-right: none;"/>	<hr style="border-top: 1px solid black; border-bottom: none; border-left: none; border-right: none;"/>
	2,259	(299)	1,960
	<hr style="border-top: 1px solid black; border-bottom: none; border-left: none; border-right: none;"/>	<hr style="border-top: 1px solid black; border-bottom: none; border-left: none; border-right: none;"/>	<hr style="border-top: 1px solid black; border-bottom: none; border-left: none; border-right: none;"/>

The accompanying notes on pages 17 to 29 form part of these financial statements.

# Durrell Wildlife Conservation Trust

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## NOTES TO THE FINANCIAL STATEMENTS at 31 December 2003

### 1. INCORPORATION

The Durrell Wildlife Conservation Trust is an association incorporated under Article 4 of the Loi (1862) sur les teneures en fideicommis et l'incorporation d'associations.

### 2. ACCOUNTING POLICIES

#### *Basis of preparation*

The financial statements are prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities", and with other applicable Statements of Standard Accounting Practice and Financial Reporting Standards.

#### *Accounting convention*

The financial statements are prepared on the basis of historical cost, except for investments which are included at market value and the animal collection which is included at a nominal value of £1.

#### *Allocation of funds*

The funds of the Trust comprise the following:

##### Permanent

endowment Endowment capital funds where there is no power to convert the capital into income; the income arising from such funds is accounted for in a restricted fund. Capital gains and losses arising from the sale of investments in such funds are accumulated and added to capital.

##### Restricted

Funds which are subject to specific conditions, imposed by the donor and binding on the trustees; such funds are placed in separate bank accounts and are held there until the specific project for which they are received is carried out; the balance of restricted funds represents unspent restricted income.

##### Unrestricted

Funds which are not subject to specific conditions imposed by the donor. Unrestricted funds are split into the following three categories:

###### Designated

funds which have been allocated or designated for special projects by the Trust itself. The use of such funds for their designated purpose remains at the discretion of the Trustees; or

###### General

funds which have not been allocated for any special purpose; or

###### Sinking

funds which have been set aside and separately invested for the purpose of repaying loans made to the Trust.

#### *Fund transfers*

As stated above, funds which are subject to specific donor-imposed conditions or which are allocated to designated purposes by the Trustees, are held in separate bank accounts until the projects for which they are intended are carried out.

When such funds are utilised on capital projects the capitalised assets are regarded as fixed assets of the unrestricted general fund and the total of such capital expenditure is accordingly transferred from the designated or restricted fund to the general fund.

#### *Branch*

The incoming resources and resources expended of the Gerald Durrell Wildlife Preservation Trust (GDWPT) are consolidated into the Trust's results. The GDWPT is a UK registered charity (Reg No 232004) and prepares accounts annually to 5 April. The Trust includes its results on a pro rata basis.

# Durrell Wildlife Conservation Trust

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## NOTES TO THE FINANCIAL STATEMENTS at 31 December 2003

### 2. ACCOUNTING POLICIES (continued)

#### *Interest receivable*

All bank interest receivable is accounted for in the Statement of Financial Activities. It is credited to the fund holding the bank balances in respect of which it is earned.

On the purchase and sale of fixed interest securities, accrued interest included in the transaction price is treated as part of the capital value of the investment. Credit is taken for interest on the date receivable and at the balance sheet date the market value is stated inclusive of accrued interest.

#### *Depreciation*

Depreciation is not charged on the Trust's freehold property, other than zoo buildings, on the grounds that such depreciation would be immaterial because of the length of the estimated remaining useful economic life of the property and its estimated residual value.

In accordance with Financial Reporting Standard (FRS) No 15, entitled "Tangible Fixed Assets", an impairment review in accordance with FRS No 11, entitled "Impairment of fixed assets and goodwill", has been performed by the Trust's Executive Committee on behalf of Council on those properties. The results of that review show that the recoverable amount in respect of those properties is in excess of the carrying amount at which they are included in the financial statements.

The cost of other fixed assets, is written off using the straight line basis as follows:

Zoo buildings	Over 10 to 20 years depending on the degree of permanence
Fixtures and fittings	At 10 % per annum
Plant and machinery	At 20% per annum
Motor vehicles	At 25% per annum
Electrical equipment	At 331/3% per annum

#### *Grants received*

Grants received from governments or other public bodies are accounted for in the Statement of Financial Activities when the income is receivable.

#### *Stock*

Stock is valued at the lower of cost and net realisable value.

#### *Basis of allocation of expenses*

Expenses are allocated to the categories shown in the financial statements on the following bases. Where expenses are directly attributable to a particular category, they are allocated entirely to that category. Where an expense relates to direct charitable work but cannot be allocated to a specific category of such work (usually because it benefits more than one category) it is allocated to support costs. Where an expense relates both to direct charitable work and other activities such as management and administration, then it is apportioned across the categories using percentages estimated to be the approximate benefit to each category.

#### *Legacies and bequests*

Legacies and bequests are accounted for as receivable when the amount of the legacy or bequest is finally known.

#### *Quoted investments*

Quoted investments are included in the financial statements at their market values, which are calculated using the closing prices on the last business day in the Trust's financial year. Differences between the market value and the cost of quoted investments, being unrealised gains or losses, are disclosed in the Statement of Financial Activities and then added to or deducted from the appropriate fund in the balance sheet.

# Durrell Wildlife Conservation Trust

## NOTES TO THE FINANCIAL STATEMENTS at 31 December 2003

### 2. ACCOUNTING POLICIES (continued)

Realised gains and losses on the disposal of investments are also disclosed in the Statement of Financial Activities and added to or deducted from the appropriate fund in the balance sheet.

#### *Animal Collection*

The animal collection is included in the financial statements at a nominal value of £1, since in the opinion of the Trustees it is not possible to place a realistic value thereon due to the unique nature of the animal collection.

### 3. NET INCOME FROM TRADING ACTIVITIES

The Trust operates a gift shop at the Visitors Centre at the Jersey Zoological Park, selling gifts and souvenirs. A summary of the shop's results together with other trading income is shown below:

Profit and loss account	2003 £'000	2002 £'000
Turnover	531	527
Gross profit	260	269
Expenses, net of interest received	(124)	(108)
Net profit	136	161
Other income (Dodo Restaurant and sale of guides)	67	57
Amount transferred to General Funds	(203)	(218)
	—	—
	=====	=====

### 4. COSTS IN FURTHERANCE OF THE CHARITY'S OBJECTS

	Unrestricted Funds £'000	Restricted Funds £'000	2003 Total £'000	2002 Total £'000
Zookeeping	1,255	-	1,255	1,405
Research, training & education	356	32	388	544
Overseas conservation projects	466	123	589	640
Fundraising and publicity (See Note 5)	538	-	538	617
Bank charges and investment management	39	-	39	30
	2,654	155	2,809	3,236
	=====	=====	=====	=====

# Durrell Wildlife Conservation Trust

## NOTES TO THE FINANCIAL STATEMENTS at 31 December 2003

### 5. ANALYSIS OF FUNDRAISING AND PUBLICITY

	2003	2002
	Total	Total
	£'000	£'000
Salaries	284	312
Direct costs	103	155
Advertising and marketing	46	67
Annual report and newsletters	51	45
Establishment	50	35
Office	4	3
(See Note 4)	538	617
	<hr/>	<hr/>

### 6. COSTS OF MANAGEMENT AND ADMINISTRATION

	Unrestricted Funds £'000	Restricted Funds £'000	2003 Total £'000	2002 Total £'000
Salaries	400	96	496	428
Pensions	301	11	312	203
Establishment	82	15	97	101
Office expenditure	141	-	141	150
Audit fees	13	-	13	13
Miscellaneous	26	1	27	111
(See Note 7)	963	123	1,086	1,006
	<hr/>	<hr/>	<hr/>	<hr/>

# Durrell Wildlife Conservation Trust

## NOTES TO THE FINANCIAL STATEMENTS at 31 December 2003

### 7. ANALYSIS OF TOTAL RESOURCES

	<i>Staff</i> <i>costs</i> <i>£'000</i>	<i>Depreciation</i> <i>£'000</i>	<i>Other</i> <i>costs</i> <i>£'000</i>	<i>2003</i> <i>Total</i> <i>£'000</i>	<i>2002</i> <i>Total</i> <i>£'000</i>
Zookeepering	806	-	449	1,255	1,405
Research, training and education	214	-	174	388	544
Overseas projects	80	-	509	589	640
Fund raising and publicity	284	-	254	538	617
Investment management	-	-	39	39	30
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,384	-	1,425	2,809	3,236
Support	498	525	-	1,023	958
Management & Administration (See Note 6)	807	-	279	1,086	1,006
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,689	525	1,704	4,918	5,200
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The Trust employed staff whose emoluments fell in the following bands:

3 (2002:2) members of staff in the band £60,000 - £69,999  
1 (2002:0) members of staff in the band £50,000 - £59,999

The average number of employees was 89 (2002: 87).

The staff costs include £137,760 (2002: £155,570) of rent subsidies given to staff.

### 8. FIXED ASSETS

	<i>Freehold Land &amp; Property</i> <i>£'000</i>	<i>Zoo Buildings</i> <i>£'000</i>	<i>Plant and Machinery</i> <i>£'000</i>	<i>Fixtures, Fittings &amp; Equipment</i> <i>£'000</i>	<i>Total</i> <i>£'000</i>
<b>Cost/valuation</b>					
1 January 2003	1,516	7,356	848	690	10,410
Additions	-	200	52	72	324
Disposals	-	(393)	(424)	(483)	(1,300)
31 December 2003	1,516	7,163	476	279	9,434
<b>Depreciation</b>					
1 January 2003	-	3,571	626	599	4,796
Disposals	-	(393)	(424)	(483)	(1,300)
Charge for the year	-	375	100	56	531
31 December 2003	-	3,553	302	172	4,027
<b>Net book value</b>					
31 December 2003	1,516	3,610	174	107	5,407
31 December 2002	1,516	3,785	222	91	5,614

# Durrell Wildlife Conservation Trust

## NOTES TO THE FINANCIAL STATEMENTS at 31 December 2003

### 8. FIXED ASSETS (continued)

The Council of the Trust does not consider that it is practicable to analyse the assets of the Trust between those used for Direct Charitable Purposes and Other Purposes. The Fixed Assets of the Trust are all held at the Headquarters at Les Augrès Manor or otherwise in Jersey, and may be used for both Charitable and Other Purposes.

At 31 December 2003 further capital expenditure of £156,000 had been authorised by the Trustees.

### 9. INVESTMENTS

Funds are placed under discretionary management with an investment company. Details of funds invested other than in cash at the year end are as follows:

	2003			2002		
	Cost £'000	Market Value £'000	Income for the year £'000	Cost £'000	Market Value £'000	Income for the year £'000
<b>UNRESTRICTED FUNDS</b>						
Unit trusts	1,186	1,158	41	1,364	1,153	41
Fixed interest securities	3,027	3,118	188	3,416	3,548	241
Equities	2,130	2,094	64	1,679	1,332	30
	6,343	6,370	293	6,459	6,033	312
	=====	=====	=====	=====	=====	=====
<b>ENDOWMENT FUNDS</b>						
Unit trusts	658	602	13	658	533	25
Fixed interest securities	438	465	35	438	464	48
	1,096	1,067	48	1,096	997	73
	=====	=====	=====	=====	=====	=====
Total	7,439	7,437	341	7,555	7,030	385
	=====	=====	=====	=====	=====	=====

Details of realised gains and losses on the disposal of investments during the year and of unrealised gains and losses arising from the inclusion of investments in the balance sheet at their market value are disclosed below and in the Statement of Financial Activities.

The above securities are invested conservatively in four separate portfolios, each portfolio representing a legally separate fund of securities. The managers of the portfolios were instructed by the Investment Sub Committee of Council to invest in the proportion of 50:50 equities to cash and cash equivalents during the year. For the purposes of investment the Trustees have defined cash equivalents to include fixed interest securities.

# Durrell Wildlife Conservation Trust

## NOTES TO THE FINANCIAL STATEMENTS at 31 December 2003

### 9. INVESTMENTS (continued)

Cash is further classified into cash available for investment and cash held for operating requirements of the Trust, thus at the year end £712,195 of the total cash of £2,060,256 was held for investing purposes only.

	2003 £'000	2002 £'000
<b>FIXED ASSET INVESTMENTS</b>		
Market value at 1 January 2003	7,030	4,779
Less: disposal at opening book value (Proceeds £838k, gain £33k)	(805)	(776)
Add: Acquisitions at cost	739	3,648
Net gains / (losses) on revaluation at 31 December 2003	473	(621)
Market value at 31 December 2003	<u>7,437</u>	<u>7,030</u>
Historical cost as at 31 December 2003	<u>7,439</u>	<u>7,555</u>

### 10. DEBTORS

	2003 £'000	2002 £'000
Trade debtors	21	16
Other debtors	54	37
Prepayments	41	9
Accrued legacies	491	388
Accrued income	<u>69</u>	<u>251</u>
	<u>676</u>	<u>701</u>

### 11. LOANS RECEIVABLE

At 31<sup>st</sup> December 2003 there were two loans to employees, totalling £59,609, both of which are fully secured on property, bear interest at the rate of 5% and are repayable between 2008 and 2009.

### 12. CREDITORS: amounts falling due within one year

	2003 £'000	2002 £'000
Trade creditors	111	99
Accruals	366	525
Deferred income	<u>181</u>	<u>163</u>
	<u>658</u>	<u>787</u>

# Durrell Wildlife Conservation Trust

## NOTES TO THE FINANCIAL STATEMENTS at 31 December 2003

### 13. CREDITORS: amounts falling due after more than one year

The loan of £100,000 from the States of Jersey bears interest at 4% per annum, was secured on Les Augrès Manor and was scheduled for repayment on 21 April 2010. The loan was repaid on 26<sup>th</sup> April 2004.

### 14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<i>Unrestricted Funds £'000</i>	<i>Restricted Funds £'000</i>	<i>Endowment Funds £'000</i>	<i>Total Funds £'000</i>
<b>Fund balances at 31 December 2003 are represented by</b>				
Animal collection	-	-	-	-
Tangible fixed assets	5,407	-	-	5,407
Investments	6,370	-	1,067	7,437
Current assets	1,995	813	146	2,954
Current liabilities	(658)	-	-	(658)
Long term liabilities	(100)	-	-	(100)
<b>Total Net Assets</b>	<b>13,014</b>	<b>813</b>	<b>1,213</b>	<b>15,040</b>
<b>Unrealised gains/(losses) included above</b>				
On tangible fixed assets	204	-	-	204
On investment assets (see below)	27	-	(29)	(2)
<b>Total unrealised gains/(losses) at 31 December 2003</b>	<b>231</b>	<b>-</b>	<b>(29)</b>	<b>202</b>
<b>Reconciliation of movements in unrealised gains/(losses) and investment assets</b>				
Unrealised losses at 31 December 2002	(426)	-	(99)	(525)
Deducted in respect of disposals in year	50	-	-	50
Less: net gains arising on revaluations in year	403	-	70	473
<b>Unrealised gains/(losses) at 31 December 2003</b>	<b>27</b>	<b>-</b>	<b>(29)</b>	<b>(2)</b>

# Durrell Wildlife Conservation Trust

## NOTES TO THE FINANCIAL STATEMENTS at 31 December 2003

### 15. CAPITAL ENDOWMENTS

	Balance 1 January 2003 £'000	Unrealised and realised investment (losses)/gains £'000	Balance 31 December 2003 £'000
Whitley ITC Fund	1,190	(61)	1,129
Electricity Fund	20	-	20
Rumboll Staff Awards	62	-	62
The Venerable Lawrence Ashcroft Fund	1	1	2
	<hr/>	<hr/>	<hr/>
	1,273	(60)	1,213
	<hr/>	<hr/>	<hr/>

#### **Whitley ITC Fund**

The Whitley International Training Centre Fund was established by the Whitley Animal Protection Trust with an initial donation of £1 million. The income from this is restricted to covering the operational costs of running the International Training Centre. Gains on investment activities are accumulated as capital and added to the fund to prevent the erosion of the value of the fund through inflation.

#### **Electricity Fund**

The Electricity Fund was established to provide income to be used to pay some of the electricity costs of the Gaherty reptile house.

#### **Rumboll Award Fund**

The Rumboll Award Fund was established during 2001 to fund an annual award to a selected staff member to undertake field conservation to develop their conservation skills.

#### **The Venerable Lawrence Ashcroft Fund**

The Venerable Lawrence Ashcroft Fund was established during 2002, income from which may be used to further the Trust's wildlife conservation mission particularly through support of international programmes.

### 16. RESTRICTED FUNDS

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes.

	Balance 1 January 2003 £'000	Expenditure Incoming resources £'000	Expenditure gains, (losses) and transfers £'000	Balance 31 December 2003 £'000
Gerald Durrell Memorial Fund	169	6	(1)	174
Gerald Durrell Chair	116	4	(3)	117
Weyland Income Fund	21	1	-	22
Other International Training Centre Funds	147	191	(131)	207
Other funds	192	330	(229)	293
	<hr/>	<hr/>	<hr/>	<hr/>
	645	532	(364)	813
	<hr/>	<hr/>	<hr/>	<hr/>

#### **Gerald Durrell Memorial Fund**

The Gerald Durrell Memorial Fund was established to build a capital sum, income from which may be used to provide grants to support the work of graduates of the International Training Centre, Jersey.

# Durrell Wildlife Conservation Trust

## NOTES TO THE FINANCIAL STATEMENTS at 31 December 2003

### 16. RESTRICTED FUNDS (continued)

#### **Gerald Durrell Chair**

The Gerald Durrell Chair was established to help towards the cost of the International Training Centre at Les Noyers, Jersey.

#### **The Weyland Fund**

The fund was established to help staff with the cost of taking MSc degrees.

#### **Other International Training Centre Funds**

The other International Training Centre funds comprise some funds which were donated to sponsor various activities of the International Training Centre at Les Noyers, Jersey.

### 17. DESIGNATED FUNDS

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	<i>Balance 1 January 2003 £'000</i>	<i>New designations and income £'000</i>	<i>Balance 31 December 2003 £'000</i>
Headquarters fund	3,733	915	(893)
Overseas fund	3,957	966	(1,378)
Sinking and other funds	140	52	(1)
	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
	7,830	1,933	(2,272)
	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
			7,491

#### **Headquarters Fund**

The purpose of the Headquarters Fund is to meet the expenses of the Jersey Headquarters of the Trust. Such expenses could include a trading deficit if running costs outpaced running income.

#### **Overseas Fund**

The Overseas Fund will normally be used to meet the shortfall in specific funding for overseas projects, which would otherwise have to be met by the General Fund.

#### **Other Designated Funds**

Other Designated Funds comprise funds designated by the Trust to fund various specific projects both in Jersey and overseas.

# Durrell Wildlife Conservation Trust

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## NOTES TO THE FINANCIAL STATEMENTS at 31 December 2003

### 18. PENSION SCHEME

The Trust operates a pension scheme providing benefits based on final pensionable pay; this scheme closed to new members with effect from 2 January 2001. A new Contribution Defined (Money Purchase) Scheme was introduced on 1 January 2002 for all new pension scheme members and any existing members who may choose to transfer from the old scheme. The assets of the scheme are held separately from those of the Trust and were administered by Alexander Forbes Financial Services Ltd up to 31<sup>st</sup> May 2003. As from 1 June 2003 the scheme assets have been administered by Bacon & Woodrow Channel Islands Limited. The underlying assets are invested in appropriate funds by Newton International Investment Managers Ltd.

The contributions are determined by a qualified actuary on the basis of triennial valuations using the Attained Age method. The most recent formal valuation as at 1 January 2001 has been updated and showed a solvency ratio of 51% based on the market value of the scheme's assets of £2,193,000. The assumptions that have the most significant effect on the results of the valuation are those relating to the investment return and the rate of increase of the salaries. It was assumed that the investment returns would, dependent on type, be between 3% and 7½% per annum and that salaries would increase at 3.5% per annum. It was agreed to increase the funding rate to 18.1% with effect from 1 January 2001.

In the opinion of Council, the funding deficit identified by the actuaries of the Pension Scheme has principally arisen as a result of under provision in previous years, and, accordingly decided to make three lump sum payments of £355,000 in 2001, £268,000 in 2002 and £194,000 in 2003, in order to re-establish adequate funding of the scheme. Although Statement of Standard Reporting Practice No 24 ("Accounting for Pension Costs") normally requires such a funding deficit to be spread over the service lives of the scheme members (in this case 19 years), Council have agreed to apply the more prudent approach of writing off the additional cost in the year in which the payment was agreed to be made.

The pension charge for the year was £443,926 (2002: £613,144) including the third tranche of the lump sum payments to eliminate the deficit referred to above.

During the first Council meeting of 2004 Council decided to freeze contribution into the defined benefit section of the pension scheme as at 31 July 2004. Members have the option of transferring their pension entitlement up to that date into the defined contribution scheme, or remain as a deferred pensioner. All pension contributions as from the 1<sup>st</sup> August 2004 are to be paid into the defined contribution scheme.

In order to comply with FRS17, the Trust's actuarial advisers have completed the following calculations of the Scheme's funding at 31 December 2003.

#### Composition of Defined Benefit Scheme

	At 31 Dec 2003	At 31 Dec 2002
Rate of increase in salaries	4.3%	3.50%
Pension increases	3.0%	3.00%
Discount rate*	5.4%	5.41%
Price inflation	2.8%	2.4%

\*based on iboxx over 15 year AA bond index.

# Durrell Wildlife Conservation Trust

## NOTES TO THE FINANCIAL STATEMENTS at 31 December 2003

### 18. PENSION SCHEME (continued)

#### Scheme assets and expected rates of return

	<i>2003</i>		<i>2002</i>	
	<i>Expected long-term rate of return</i>	<i>Value £'000</i>	<i>Expected long term rate of return</i>	<i>Value £'000</i>
Equity/Property	7.75%	1,797	7.00%	1,473
Bonds	5.10%	811	4.90%	514
Cash	3.75%	212	3.00%	206
		<hr/>		<hr/>
Total value of assets:		2,820		2,193
		<hr/>		<hr/>
Present value of liabilities		(4,468)		(4,293)
		<hr/>		<hr/>
Net pension deficit		(1,648)		(2,100)
		<hr/>		<hr/>

These calculations exclude the third lump sum funding payment agreed by Council not made at the balance sheet date.

Had FRS 17 been adopted in full, the following amounts would have been recognised in the Statement of Financial Activities in the year to 31 December 2003.

In arriving at incoming/(outgoing) resources for the year	<i>2003</i>
	<i>£'000</i>
Resources expended	
Current service cost	206
	<hr/>
Net interest	
Expected return on the Scheme's assets	(133)
Interest on the Scheme's liabilities	227
	<hr/>
Net interest charge	94
	<hr/>
Total charge	300
	<hr/>

# Durrell Wildlife Conservation Trust

## NOTES TO THE FINANCIAL STATEMENTS at 31 December 2003

### 18. PENSION SCHEME (continued)

<b>Included in other recognised gains and losses</b>	<b>2003</b>
	<b>£'000</b>
Actual return less expected return on the Scheme's assets	533
Experience losses arising on the Scheme's liabilities	299
Changes in assumptions underlying the present value of the Scheme's liabilities	(212)
	<hr/>
Actuarial gain recognised in other gains and losses	620
	<hr/>
<b>Total decrease in funds</b>	<b>920</b>
	<hr/>
<b>Movement in surplus/(deficit) during the year</b>	<b>2003</b>
	<b>£'000</b>
Deficit in scheme as at 1 January	(2,100)
Movement in year	(206)
Current service cost	132
Contributions	(95)
Other finance income	620
Actuarial loss	<hr/>
Deficit in Scheme as at 31 December	(1,649)
	<hr/>

### Details of experience gains and losses for the year to 31 December 2003

Difference between the expected and actual return on the Scheme's assets	533
Amount (£'000s)	533
Percentage of the Scheme's assets (%)	18.9%
Experience losses on the Scheme's liabilities	299
Amount £'000s	299
Percentage of the Scheme's liabilities (%)	6.7%
Total amount recognised in other gains and losses	620
Amount (£'000s)	620
Percentage of the present value of the Scheme's liabilities (5)	13.9%

### 19. UNACCRUED LEGACIES

Legacies are credited in the period in which they are received. In addition legacies are accrued as receivable before receipt, if it is reasonably certain that the legacy will be received and the value of the incoming resources can be measured with sufficient reliability.

### 20. TRANSACTIONS WITH CONNECTED CHARITIES

During 2003, the Wildlife Trust made contributions of £105,782 (US\$ 177,520) to the Trust. There were no amounts outstanding at 31 December 2003.